

Chapter 409

(House Bill 546)

AN ACT concerning

Higher Education – Janet L. Hoffman Loan Assistance Repayment Program – Modifications

FOR the purpose of altering the requirements for certain regulations adopted by the Office of Student Financial Assistance in the Maryland Higher Education Commission relating to the implementation of the Janet L. Hoffman Loan Assistance Repayment Program; and generally relating to modification of the Janet L. Hoffman Loan Assistance Repayment Program.

BY repealing and reenacting, without amendments,
Article – Education
Section 18–1501 and 18–1502
Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Education
Section 18–1503
Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Education

18–1501.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) “Eligible field of employment” means employment in the State by an organization, institution, association, society, or corporation that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

(2) “Eligible field of employment” includes employment by the State or any local government in the State, but does not include being employed as a judicial clerk in any court.

(c) “Higher education loan” means any loan for undergraduate or graduate study that is obtained for tuition, educational expenses, or living expenses from:

(1) A college or university, government, or commercial source; or

(2) An organization, institution, association, society, or corporation that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

(d) “Program” means the Janet L. Hoffman Loan Assistance Repayment Program.

18–1502.

(a) There is a program of loan assistance repayment known as the Janet L. Hoffman Loan Assistance Repayment Program in the State.

(b) The Office of Student Financial Assistance shall assist in the repayment of the amount of any higher education loan owed by an individual who:

(1) (i) Receives a graduate, professional, or undergraduate degree from:

1. A college or university in the State of Maryland; or

2. A school of law; or

(ii) Receives a Resident Teacher Certificate (RTC) from the Department after completing an alternative teaching preparation program approved by the State Superintendent;

(2) Obtains eligible employment;

(3) Receives an income that is less than the maximum eligible total income levels established by the Office, including any additional sources of income; and

(4) Satisfies any other criteria established by the Office.

(c) Subject to the provisions of subsection (b) of this section, the Office shall assist in the repayment of the amount of any higher education loan owed by a public school teacher in the State who:

(1) Has taught in Maryland for at least 2 years:

(i) In science, technology, engineering, or math subjects; or

(ii) In a school in which at least 75% of the students are enrolled in the free and reduced lunch program in the State; and

(2) Has received the highest performance evaluation rating for the most recent year available in the county in which the teacher taught.

(d) (1) A grant awarded under subsection (c) of this section shall be known as the Nancy Grasmick Teacher Award.

(2) A recipient of a Nancy Grasmick Teacher Award shall be known as a Nancy Grasmick Teacher Scholar.

(e) An applicant for assistance in the repayment of a commercial loan shall demonstrate to the Office that the commercial loan was used for tuition, educational expenses, or living expenses for graduate or undergraduate study.

(f) Assistance in the repayment of a loan from an entity set forth in § 18–1501(c)(2) of this subtitle shall require the approval of the Office.

18–1503.

(a) The Office of Student Financial Assistance shall adopt regulations to establish:

(1) The maximum starting income for eligibility in the Janet L. Hoffman Loan Assistance Repayment Program;

(2) The maximum total income for eligibility in the Janet L. Hoffman Loan Assistance Repayment Program, including any additional sources of income;

(3) That priority for participation in the Program shall be given to an individual who:

(i) Graduated from an institution of higher education in the last 3 years;

(ii) Is a resident of the State;

(iii) Is employed on a full-time basis; and

(iv) 1. Provides, as the principal part of the individual's employment, legal services to low-income residents in the State who cannot afford legal services, nursing services in nursing shortage areas in the State as defined in § 18–802 of this title, or other services in an eligible field of employment in which there

is a shortage of qualified practitioners to low-income or underserved residents or areas of the State; or

2. For teacher applicants only, qualifies for a Nancy Grasmick Teacher Award;

(4) A limit on the total amount of assistance provided by the Office of Student Financial Assistance in repaying the loan of an eligible individual, based on the individual's total income and outstanding higher education loan balance;

(5) A procedure and schedule for the **MONTHLY OR ANNUAL** payment of the amount of loan assistance provided by the Office of Student Financial Assistance to the eligible individual, **AS APPROPRIATE TO ASSIST AN ELIGIBLE INDIVIDUAL IN MEETING LOAN FORGIVENESS PROGRAM REQUIREMENTS; [and]**

(6) A REQUIREMENT THAT AN ELIGIBLE INDIVIDUAL APPLY TO FEDERAL LOAN FORGIVENESS PROGRAMS FOR WHICH THE INDIVIDUAL MAY QUALIFY;

(7) A REQUIREMENT THAT AN ELIGIBLE INDIVIDUAL NOTIFY THE OFFICE OF STUDENT FINANCIAL ASSISTANCE IF THE INDIVIDUAL RECEIVES OTHER LOAN REPAYMENT ASSISTANCE; AND

[(6)] (8) An annual review of the eligibility of each individual participating in the Program.

(b) The Office of Student Financial Assistance may not approve more than 50% of the total number of awards for teacher applicants to Nancy Grasmick Teacher Scholars.

(c) The Office of Student Financial Assistance shall adopt any other regulations necessary to implement this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.